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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D. C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

Administration of the)
North American Numbering Plan)

CC Docket No. 92-237
(Phase II)

REPLY OF BELL COMMUNICATIONS RESEARCH, INC. (BELLCORE)
AS ADMINISTRATOR OF THE NORTH AMERICAN NUMBERING PLAN

Bell Communications Research, Inc. (Bellcore) is pleased to offer these reply comments as administrator of the North American Numbering Plan (NANPA). Carrier identification codes (CICs) are one of the scarce numbering resources that NANPA administers. Since 1989, NANPA has kept the Commission informed of the impending exhaustion of CICs and of conservation and expansion measures that NANPA and the industry have undertaken as a result of consensus.^{1/}

Part of that consensus has been that Feature Group B CICs were to be expanded in 1993 (which expansion is underway), and Feature Group D CICs were to be expanded in 1995. NANPA submits that there is no reason to consider Feature Group B CIC expansion further, and that unless the Commission is prepared to enforce stringent limits on CIC assignments (including reclamation) and/or to accept the possibility that there may be exhaustion of Feature Group D CICs (depending on what is considered "exhaustion," see below), expansion of Feature Group D CICs should proceed as planned.

^{1/} See, letters from NANPA to the Chief, Common Carrier Bureau of: October 13, 1989, September 20, 1990; April 10, 1991; July 10, 1991; and October 24, 1991.

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The Industry's Consensus

Since divestiture in 1984, a CIC has been a three digit number. In Feature Group B service (which was accessed prior to this year by dialing 950-WXXX), the CIC is substituted for the three Xs, and the W could be, at the option of the CIC holder, either a 0 or 1 (but not both) that otherwise was ignored by the switches. Expansion of the Feature Group B CICs is being accomplished by causing the switches to look at all four digits beyond the 950, which enables the W to become an X. Thus, some 9,000 Feature Group B CICs are possible rather than the previous somewhat less than 1000. The same number of digits (seven) continues to be dialed after expansion.

In Feature Group D service (which has been accessed since divestiture by dialing 10XXX), the CIC is substituted for the three XXXs. Rather than expanding from 10XXX to 10XXXXX - which would foreclose transitional use of the existing five digit dialing procedures even during an interim period - the industry reached consensus on expansion to 101XXXXX, which made possible transitional use of the existing dialing procedures.^{2/}

So long as the transitional use continues, entities with previous three digit CICs would continue to be accessed by dialing five digits, while entities with the new four digit CICs would be accessed by dialing seven digits. Some industry participants

^{2/} And, once the need for transition ends, it will be possible ultimately to migrate this to five digit CICs using 10XXXXX dialing (i.e., up to 100,000 CICs), without again changing the number of digits to be dialed.

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thought this would confer an unfair competitive advantage on holders of existing CICs (or conversely, that this could serve as a barrier to new entry), and sought to minimize the period of dialing disparity.^{3/} Some holders of existing CICs sought to maintain the five digit dialing indefinitely, or for very long time periods, e.g., 10 years.^{4/}

In the absence of consensus, NANPA included a mid-ground eighteen month transitional period in its assignment guidelines, and encouraged those that might disagree with this to bring the issue to the Commission for its resolution. NANPA so notified the Commission in its October 13, 1989 letter to the Chief, Common Carrier Bureau. NANPA urges the Commission to take this opportunity to confirm the appropriateness of the eighteen month period now specified, if Feature Group D CIC expansion proceeds.

Expansion of Feature Group D CICs

CIC expansion could be legally required, or dictated by market needs, or both. While NANPA is in no position to determine what legal obligations govern service providers, legal constraints are

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- ^{3/} There was also a concern expressed that while a transitional disparity in dialing among interexchange service providers might be justifiable, maintenance of this for a long period could be viewed as inconsistent with the Modification of Final Judgment governing the divested Bell Operating Companies and the Consent Decree governing GTE.
- ^{4/} This would not only raise disparity concerns, but would limit the potential number of Feature Group D CICs during that ten year period, perhaps resulting in exhaustion. For compatibility with five digit 10XXX dialing to be maintained, the limit on total number of Feature Group D CICs is 3,000.

part of the environment that NANPA cannot ignore when formulating plans and when considering assignment guidelines and procedures. Some may argue that neither the FCC^{5/} nor the MFJ court^{6/} has specifically addressed CIC expansion, thus the positions of parties such as Centel and the CPE suppliers that it may be sensible not to expand Feature Group D CICs may have some merit. However, industry consensus has been gained on plans both for expansion of Feature Group B CICs (which expansion is underway) and expansion of Feature Group D CICs in the future.

Without expansion or significant tightening of eligibility for assignment, coupled with reclamation of codes in excess of the assignment limits, three digit Feature Group D CICs will exhaust

^{5/} The Commission in *First Data Resources, Inc.*, 1986 FCC LEXIS 3347 (May 22, 1986), an order addressing Feature Group B "950" CICs, acknowledged potential CIC exhaustion. The Commission expressed a hope that the industry might alleviate this, and indicated that further Commission action was contemplated.

^{6/} It appears that neither the Modification of Final Judgment (MFJ) governing the divested Bell Operating Companies nor the comparable Final Judgment governing GTE specifically addresses whether measures need be taken to expand CICs when new ones are no longer available, although the equal access provisions thereof could conceivably be interpreted as requiring this. See, *United States v. Am. Tel. and Tel. Co.*, 552 F.Supp. 131, 226 (D.D.C. 1982), aff'd sub nom., *Maryland v. United States*, 460 U.S. 1001 (1983) (the MFJ); *United States v. GTE*, 1985-1 Trad Cas. (CCH) P66,355 (the GTE Final Judgment). Indeed, if the purpose of the equal access provisions of these decrees, including their access numbering provisions, is to promote workable competition, it might be asked whether that purpose has already been achieved with a present Feature Group D CIC code set that accommodates almost 1,000 assignments (and hundreds of competitors), and a soon-to-be expanded Feature Group B CIC code set that accommodates almost 9,000 assignments (and thousands of competitors).

in the near future, in early 1995 or sooner.^{7/} The assignment rate for these CICs continues to increase, from an average of 8 CICs/month in early 1991 to currently about 15 CICs/month.^{8/} And, neither the Commission nor major segments of the industry have supported tightening of eligibility combined with reclamation of codes beyond eligibility limits.

In the industry consensus process that was used to create CIC assignment guidelines to govern assignment of the new four digit CICs, the number of Feature Group D CICs that could be assigned to an entity has been increased from the pre-1990 limits of three domestic CICs and one international one (and the post-1990 "conservation mode" limit of one domestic CIC) to six CICs. The present requirement that entities make good faith efforts to reduce excess complements of CICs gained by mergers or acquisition was deleted, and the new guidelines do not include CICs gained by merger and acquisitions in the six CIC limitation.^{9/}

^{7/} But see the discussion below on whether there really will be "exhaustion."

^{8/} This may get worse if a recent development continues. NANPA recently has received a marked increase in CIC requests for use by resellers in Texas. While it is not clear that these CICs will in fact be used efficiently, there is no basis under the assignment guidelines for denying the requests. If this trend continues in Texas or spreads elsewhere, the 1995 date is likely to be very optimistic.

^{9/} NANPA and other entities advocated more stringent limitations on the number of CICs, and particularly ones acquired by merger and acquisition, but consensus could not be gained on this point. This highlights an essential difference between the consensus process and government decisionmaking: unlike a consensus body, the government can reach decisions that differ from positions advocated by major participants in its

On the reclamation side, NANPA has engaged in stringent reclamation of unused CICs, which has resulted in the return of some 280 CICs in the past two and a half years. While this effort continues, the present assignment rate significantly exceeds the reclamation rate. And, we have reclaimed the vast majority of all unused CICs.^{10/}

Alternatives suggested by several parties do not appear to be workable. The suggestion of APCC and North Pittsburgh Telephone that CICs be shared rather than expanded has been considered twice by the industry and rejected because of technical limitations and billing complications. The suggestion by APCC that the number of CICs be limited to one per entity is unrealistic. It became clear in discussions at the CIC assignment guidelines workshops that entities with more than one CIC are using them to overcome technical limitations in their networks and to provide services that cannot be provided using a single CIC.^{11/} And the suggestion by the Ad Hoc Telecommunications Users Committee that entities

proceedings.

^{10/} This form of reclamation; reclamation of excess complements of CICs acquired by mergers and acquisitions, has been resisted by the very entities that were to make the "good faith" efforts and that did not do so. NANPA's letters to the Commission of April 10, July 10 and October 24, 1991 sought, to no avail, to enlist support from the Commission for reclamation of the excess merger and acquisition codes.

^{11/} It should be remembered that, prior to the 1990 conservation period, under the guidelines entities were permitted to have three domestic CICs and one international one. It was therefore reasonable for them to engineer their networks and services based on this.

using only Feature Group B CICs should exchange them for new four digit Feature Group B CICs (which could then be used also for Feature Group D) is essentially part of the industry's plan and assignment guidelines, and has been taken into account in the projections of Feature Group D CIC exhaustion.

Thus, unless the Commission is prepared to use its regulatory authority to change the CIC assignment guidelines and to mandate return of excessive complements of CICs, it must confront the policy result that CICs may exhaust. As noted, this may be a legally permissible result, although this is unclear. Furthermore, "exhaustion" in this context may be more definitional than actual. It is conceivable that procedures for barter and sale of rights to use CICs could be established, which could create market mechanisms for allocation of scarce CIC resources. If an entity seeking a CIC could acquire the use of one at a market clearing price, it is unclear that there would ever be "exhaustion."^{12/}

Such an approach would avoid certain costs that have been identified in comments herein. Southwestern Bell, for example, has estimated that it will cost \$100 million to expand Feature Group D CICs in its regional area. CPE vendor interests such as Intellicall, NATA and APCC, while not as specific, have claimed significant costs associated with modifying their equipment — primarily public telephones — to accept expanded Feature Group D

^{12/} A form of this is available today, since CICs are among the assets transferred in a merger or acquisition. As noted, neither the industry nor the Commission has supported return of excess complements of CICs achieved in this manner.

CICs. These are costs that ultimately would be borne by subscribers, and that could be avoided if the CICs are not expanded. But, in considering this approach the Commission may wish to balance these cost savings against the potential that new entry may be more costly in the future.^{13/}

Conclusion

In conclusion, NANPA submits that to avoid unavailability of CICs, unless the Commission is prepared to enforce stringent limits on CIC assignments (including reclamation) or to promote development of market methods for allocating scarce CIC resources, it should encourage expansion of Feature Group D CICs to proceed as planned by the industry. Even if such expansion continues as planned, current increases in demand for CICs may lead to a hiatus in availability. And, NANPA urges the Commission to take this opportunity to confirm the appropriateness of the eighteen month

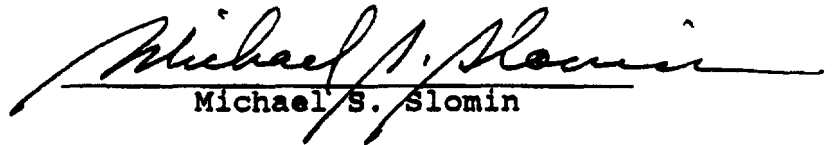
^{13/} This is not completely clear. Under the First Data Resources, Inc. decision, supra., service providers and end-users are equally eligible for CIC assignments, and much of the demand for CICs in recent years has emanated from end-users that are not "entrants." It may be entirely appropriate for new, valuable uses of CICs to bear some of the costs that they impose on service providers.

period now specified, if Feature Group D CIC expansion proceeds.

Respectfully submitted,

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January 27, 1993

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I, Eileen M. Callahan, certify that a copy of the foregoing **Reply of Bell Communications Research, Inc (Bellcore) as Administrator of the North American Numbering Plan** was served on this 27th day of January, 1993, by First Class United States Mail, postage prepaid, to the following persons:

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